

## LNF & IHCIF Calculations Illustration

### - CREEK (Poarch Band) in Nashville area -

#### Given Data

- 2,251 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 30% = % Expenditures on purchased services, 70% = % expenditures in-house
- 93.9% = Cost index for purchasing health care in this geographic area
- 124.1% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

#### Cost Adjustment Calculations

- \$827 per person for purchased services =  $30\% * 93.9\% * \$2,980$
- \$2,606 per person for in-house services =  $70\% * 124.1\% * \$2,980$
- \$3,433 per person total = \$827 (purchase) + \$2,606 (in-house)
- **\$3,293 per person total** adjusted for health status =  $\$3,433 * 95.9\%$
- **\$2,548 per person net cost** =  $\$3,293 - \$745$  Other resources (M&M&PI)

#### Existing Expenditures (for 2,251 users excluding wrap-around and collections)

- \$1,328 per person = local IHS allowance (excludes \$ for wrap-around)
- \$155 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,537 per person for OU users** =  $\$1,328 + \$155 + \$54$

#### LNF Calculation

- **46.7% Gross LNF** =  $\$1,537$  (expenditures) /  $\$3,293$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **60.3% Net LNF** =  $\$1,537 / \$2,548$  net cost ( $\$3,293 - \$745$  other)

#### IHCIF Allocation

- \$0 = \$ to raise LNF% from 60.3% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$0 Allocation** = \$0 needed for 60% \* 3.488% IHCIF fraction

#### CREEK (Poarch Band) Unmet Needs

- **\$5,735,422 Net Total Need** = 2,251 users \* \$2,548 net cost
- **\$2,276,541 Net Unmet Need** =  $(100\% - 60.3\% \text{ LNF}) * 2,251 \text{ users} * \$2,548 \text{ net cost}$